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173

MEMORANDUM

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SUBJECT:

Mr The Saigon Uovernment's Hove Against Danang

has happened in the Danang area during the past twenty four hours -- and what is now happening there, in his and in Saigon -- is too fragmentary to permit even moderately well informed speculation, let alone interpretations or conclusions that can be offered with any degree of confidence. Weknow that a total of three government (i.e., pro-Saigon) battalions (two marine and one airborne) were meaved into the Danang area and that after some -- but apparently minor -skirmishing they took at least temporary control of t corps Headquarters and other strategic localions including Danang radio. The do not know what prompted this operation, what its overall objectives are, whether it is but the first step in a larger Directory plan, and what the reaction of other interested parties (e.g., the Struggle forces,

In some ways, the Directory operation actually launched on 15 istnam time) strongly resembles the plan discussed in March when the alitation sparked by Gen. This ouster fishest began building up and Danang first came under effective control of the Struggle Forces. At that time the Directory indicated it was thinking of having pro-QVN loyalist elements, especially among the Central Vietnam VNQDD, stir up activity which would serve as a cretext for large scale intervention by Salgon forces and a forcible re-es ablishment of Salgon control. This earlier plan was shelfed but may well not have been forgotten, since recent events may have been guided by its modified reincarnation. Catholic and VNQDD groups in Central Vietnam have been active in recent weeks and the temperature in the I Corps area has risen as a result of their activity.

the Baddhists, the First and Second Pivisions, etc. ) will be.

. Not knowing exactly what the Directory's plans and intentions are, one dan only speculate on the causes of their recent actions. Gen. Dinh had succepted in restoring a surface calm to I Corps, but the area obviously not be said to have been xxxxxx restored to Saigon's effective nolitical control. Dinh's own motives and ambitions were also suspectant in the minds of his ostensible Directory colleagues. The Struggle force could not Honestly or accurately be termed a Communist movement, but left wing, neutralist and pro-VC elements were obviously penetrating the struggle force structure and gaining some measure of influence within it. The output of Danaily and line radios inaxeastably linearpair was increasingly incorporating themen of obvious Viet Cong inspiration. The activities of the Buddhists, particularly Buddhist chaplins, were undermining Army morale and discipline in I Corps and were beginning to be felt in II Corps. (in I Corps The Directory may have felt that under its surface calm the situation was deteripating rapidly and the rot had to be surgically arrested in the mational interest. Ky, Thier and other senior Directory leaders such as Co may have found themselves under increasing pressure from activiste like Col. Loan, and haring general Khang and the field grade officers known as the "Raby Turks". The Directory amost certainly recognized that had they surfaced their intentions to the Americans, we would have endeavored to dissuade them from acting, and this is probably among the principal reasons why they kept their hand so carefully concealed from us.

for Ky's objectives, again we can only speculate in a very tentative and diffident manner. Ky and his colleagues may feel that if they can re-establish control over Danang and bag the major struggle leaders (Mayor int, Col. Yeu,), Hue can indeed be safely left to wither on the Wine and the remainder of the I Corps struggle movement will either collapse or can be combed by a combination of Saigon-inspired VNQDD and Catholic activity. Conversely, the Danang operation may be only the first phase of a larger plan in which it is envisioned that when will be occupied after Banang is secured and the government's writ then forcibly extended throughout ICorps. may also feel that an effective show of force in Central "istnam to sober, and hence ourb, its more vocal and active opponents throughout the rest of the country, including Saigon - e.g., the Buddhists responsive to the dictates of the Buddhist Institute over which Tri wang now exercises de facto control. Even if these are indeed the Directory's objectives, I not clear whether the Directory intends to scuttle the present elections and transfer to civilian rule or is only trying to its hand during the ensuing weeks and month of political maneuver.

eactions are even harder to estimate at the present time than knimenta intention or objectives. -Much will depend on how successful the Government's move agailist Danang proves to be and how effective the struggle organization ---If the UVN can secure Danang surgically, proves to be when put to the test. swiftly and with minimal effective opposition, its political hand will be at -- 4ke 18 min 2 10 Division commanders in Logi Gen. Mhuan and Gen. Lan will then have to least temperarily strengthened. reassess the new balance of strength and determine what course their personal best interests dictate. This could be the course of conciliation and reacceptance of Saigon control through some face-saving formula. On the other hand, if the Danani operation itself proves sticky or meets with serious resistance. the danger of fratricidal civils war in I Corps becomes very real indeed. Even If the Danang operation itself is successful, the spectre of such civil strife is still very much present

About all that can be said with confidence about the Budd ists is that they will be profoundly upset by the Government's move. If they sense weekness, irresolution or a tactical opportunity they will llowever, if they should determine that certainly move to protest strongly. the forces arrayed against them are demonstrably too strong to trifle with, they may hold their fire and bide their time. Again, much will depend on the play of the hand in Danang, in Hue, and in Saigon over the next few hours In making its move against Danang, the Ky government has gambled a great deal on one play. If the operation proves unsuccessful or spar's anarchy and civil war in I Corps, then circulates are considerably better than even that the Directory itself will not be able to survive. Even if the operation succeeds, Vietnamese politics will be even stickier than they have been during the period where various interested parties meassess new developments and the balance of forces they have created. At the moment all we can do is keep the closest possible watch over the situation and endeavor to assign meaning and value to facts as they emerge.